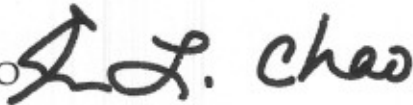MAR 3 1 2005

MEMORANDUM FOR AGENCY HEADS

FROM: ELAINE L. CHAO

SUBJECT: Implementation of Executive Order 11360 —
                Contracting with Service-Disabled Veteran Businesses

On October 20, 2004, President George W. Bush signed Executive Order 13360 to increase Federal contracting and subcontracting opportunities for service-disabled veteran owned small business (SDVOSB). Executive Order 13360 requires each Federal agency to develop strategies to award not less than 3 percent of its annual contracting dollars to SDVOSBs, and specifically requires the Department of Labor (DOL) to direct the Transition Assistance Program to educate separating service members as to the benefits available to service-disabled veteran businesses and as to potential entrepreneurial opportunities. The Order also requires the each Federal agency designate a senior-level official who shall be responsible for developing and implementing the agency's strategy.

On February 9, 2005, I designated Frederico Juarbe, Assistant Secretary for Veterans' Employment and Training as DOL's designated senior official to lead the Department in complying with the Executive Order. In meeting this challenge, I have asked Assistant Secretary Juarbe to coordinate with Jose Lira, Director, Office of Small Business Programs; Patrick Pizzella, Assistant Secretary for Administration and Management/Chief Acquisition Officer; and you to ensure that the Department meets the goal of awarding 3 percent of its annual contract dollars to service-disabled veteran owned businesses.

Based on the Department's total FY 2004 contract spending of $1.5 billion, DOL must award approximately $50 million to SDVOSBs. To that end, I ask that you assist Assistant Secretary Juarbe in this effort by committing to designate suitable contracts that contribute to the goal. You will soon receive more detailed information from Assistant Secretaries Juarbe, Pizzella, and Director Lira on our plan to achieve the goal.

Your cooperation is appreciated.